

PAGE 1 OF 11
DATE : 25 FEB 2004

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

RECEIVED
FEB 26 2004
PUBLIC SERVICE
COMMISSION

IN THE MATTER OF :

THE JOINT APPLICATION OF ORCHARD)
GRASS UTILITIES INC. AND OLDHAM)
COUNTY SANITATION DISTRICT FOR)
APPROVAL OF THE TRANSFER OF)
WASTE WATER TREATMENT FACILITIES)
PURSUANT TO STOCK PURCHASE)
AGREEMENT BETWEEN THE PARTIES)

CASE NO.
2004 - 00029

INITIAL DATA REQUEST OF ROBERT L. MADISON

ENCLOSURE :

3. LOUISVILLE MSD WEB SITE (WWW.MSD.LOUKY.ORG) TARIFF AND CONNECTION FEE.

THIS IS THE INITIAL DATA REQUEST OF ROBERT L. MADISON TO ORCHARD GRASS UTILITIES (OGU) AND THE OLDHAM COUNTY SEWER DISTRICT (OCSD).

1. IN YOUR RESPONSE PLEASE INDICATE THE NAME(S) OF THE INDIVIDUAL(S) WHO ARE RESPONSIBLE FOR THE ANSWER TO EACH QUESTION.
2. NOTE PAGE NUMBERS REFERENCING THE JOINT APPLICATION (JA) ARE TO THE FILE ON THE PSC WEB SITE AND RUN FROM 1 TO 102.
3. IN QUESTIONS THAT ASK FOR THE NAME ADDRESS AND ZIP CODE OF RESIDENTIAL CUSTOMERS YOU MAY OMIT THE LAST NAME AND THE STREET NUMBER FOR PRIVACY REASONS. FOR EXAMPLE IF THE INFORMATION IS :

JOHN SMITH
100 ELM STREET
LOUISVILLE KY 40241

AN ACCEPTABLE ANSWER FOR THESE QUESTIONS WOULD BE :

JOHN
ELM STREET
LOUISVILLE KY 40241

DATA REQUEST TO OGU :

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A. PROVIDE A LIST OF THE NAME AND ADDRESS (INCLUDING ZIP CODE) OF THE RESIDENTIAL CUSTOMERS OF THE ORCHARD GRASS PLANT.

B. PROVIDE A LIST OF THE NAME AND ADDRESS (INCLUDING ZIP CODE) OF THE RESIDENTIAL CUSTOMERS OF THE WILLOW CREEK PLANT.

8. WHAT ARE THE NUMBER OF WILLOW CREEK RESIDENTIAL CUSTOMER THAT ARE IN OLDHAM COUNTY ? WHAT ARE THE NUMBER OF WILLOW CREEK RESIDENTIAL CUSTOMER THAT ARE IN JEFFERSON COUNTY ?

DATA REQUEST TO OCSD :

1. ARE THE SEWAGE PLANTS BEING TRANSFERRED BECAUSE OF OBSOLESCENCE ?

A. IF NO, FOR WHAT PERIOD OF TIME DOES OCSD PLAN TO KEEP PROCESSING SEWAGE AT THE CURRENT PLANTS.

B. IF YES, ASSUMING THE PSC APPROVES THE JA AS PROPOSED, HOW LONG DOES OCSD PLAN TO KEEP THE ORCHARD GRASS AND THE WILLOW CREEK PLANTS IN OPERATION ?

1. WHAT ARE THE PLANS OF OCSD TO REPLACE THE PLANTS WITH NEW TREATMENT FACILITIES ? DESCRIBE THE ANSWER IN DETAIL.

2. WHAT IS THE NAME, ADDRESS AND LOCATION OF ANY NEW TREATMENT FACILITY TO REPLACE THE PLANTS ?

3. HOW FAR AWAY FROM EACH CURRENT PLANT IS THE NEW FACILITY ?

4. IN WHAT COUNTY IS THE NEW FACILITY LOCATED ?

5. WHAT IS THE ESTIMATED COST FOR SEWAGE TREATMENT AT THE NEW FACILITY :

A. PER YEAR.

B. PER 1,000 GALLONS PROCESSED.

2. PROVIDE THE ESTIMATED CAPITAL COSTS FOR ANY UPGRADES OR IMPROVEMENTS OF ANY NEW TREATMENT FACILITY FOR EACH CALENDAR YEAR OF 2004, 2005, 2006, 2007 AND 2008. IF DATA IS NOT AVAILABLE FOR CALENDAR YEAR, BUT FOR FISCAL YEAR OF SOME OTHER TIMEFRAME, PROVIDE THE TIMEFRAME AND THE COST FOR EACH FISCAL YEAR.

3. REFERENCE MADISON ENCLOSURE 2, RICK RASH OLDHAM ERA LETTER TO THE EDITOR.

A. PROVIDE THE BUDGETARY DETAILS FOR THE DETERMINATION OF THE 1.4 MILLION DOLLAR REVENUE REQUIREMENT FOR THE OCSD. BREAK IT

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DOWN FOR THE NEXT 5 CALENDAR YEARS (OR FISCAL) AS TO CAPITAL COSTS, PERSONNEL, FEES, ETC.

B. WHAT IS THE NUMBER OF RESIDENTIAL CUSTOMERS USED TO DETERMINE THE REVENUE REQUIREMENT OF 1.4 MILLION DOLLARS ?

C. WHAT IS THE AVERAGE WATER USAGE IN THOUSAND GALLONS FOR A OLDHAM COUNTY RESIDENTIAL CUSTOMER PER MONTH ? GIVE THE ANSWER TO THE THOUSANDTH. FOR EXAMPLE 4.56 THOUSAND.

D. IS IT TRUE THAT FOR THE AVERAGE AMOUNT OF WATER USED, THE COST FOR A RESIDENTIAL CUSTOMER WOULD BE APPROXIMATELY THE SAME FOR EACH OF THE THREE FORMULAS REFERENCED IN THE RASH LETTER ?

1. PROVIDE THE MONTHLY SEWAGE CHARGE FOR AN OLDHAM COUNTY SEWAGE CUSTOMER USING THE AVERAGE AMOUNT OF WATER PER MONTH UNDER EACH OF THE THREE FORMULAS IN THE RASH LETTER. CALCULATE THE COST OUT TO THE CENT, FOR EXAMPLE \$ 4.23 PER MONTH.

E. IF YOU ADD IN THE NUMBER OF WILLOW CREEK AND ORCHARD GRASS RESIDENTIAL SEWAGE CUSTOMERS :

1. WHAT WOULD BE THE REVENUE REQUIREMENT ?

2. WHAT WOULD BE THE AVERAGE GALLONS OF WATER PER CUSTOMER PER MONTH ?

3. WHAT WOULD BE THE FORMULA THAT WOULD BE APPLIED AT THAT POINT ? WHAT WOULD BE THE FIXED RATE PER MONTH ? WHAT WOULD BE THE RATE PER 1,000 GALLONS USED.

F. ASSUMING THAT THE PSC APPROVES THE JA AS PROPOSED. HOW LONG AFTER APPROVAL WOULD THE NEW RATES FOR SEWAGE GO INTO EFFECT FOR ORCHARD GRASS AND WILLOW CREEK ?

G. IN RASH'S LETTER HE STATES THAT AFTER THE ACQUISITION OF ORCHARD GRASS AND WILLOW CREEK THE OCSD WILL RECOMMEND A SEWAGE RATE OF \$ 7 A MONTH FIXED COST AND \$ 3 PER 1,000 GALLONS.

1. WOULD THE OCSD BE WILLING TO COMMIT TO THIS RATE BEING APPLIED TO WILLOW CREEK AND ORCHARD GRASS RESIDENTIAL CUSTOMERS IMMEDIATELY AFTER PSC APPROVAL AND FOR A PERIOD OF THREE YEARS AS A CONDITION OF PSC APPROVAL OF THE TRANSFER ? EXPLAIN YOUR RESPONSE IN DETAIL.

H. HOW MANY CURRENT RESIDENTIAL CUSTOMERS DOES THE OCSD HAVE ?

FOR ALL THE ANSWERS TO QUESTION 3 PROVIDE WORK PAPERS AND CALCULATIONS.

4. REFERENCE KRS 278.020 (4) AND JA PAGE 4, ITEM 5 WHICH STATES:

OCSD HAS THE REQUISITE FINANCIAL, TECHNICAL AND MANAGERIAL ABILITIES TO PROVIDE REASONABLE SERVICE TO THE WASTEWATER CUSTOMERS OF ORCHARD GRASS ...

A. IS THE OCSD CURRENTLY LOSING \$ 25,000 - \$ 30,000 PER MONTH ?

1. IF YES, HOW DOES THIS DEMONSTRATE THE REQUISITE FINANCIAL ABILITIES ? EXPLAIN IN DETAIL.

2. PROVIDE FOR THE PAST CALENDAR YEAR THE DOLLAR AMOUNT OF SURPLUS OR DEFICIT FOR EACH MONTH OF THE OCSD ?

B. EXPLAIN IN DETAIL HOW RAISING THE COSTS FOR SEWAGE TREATMENT FOR AN AVERAGE WILLOW CREEK RESIDENTIAL CUSTOMER BY 54.78 % RESULTS IN A REASONABLE RATE.

C. PROVIDE THE NAMES, TITLES, ANNUAL SALARIES AND RESUMES OF EACH THE MEMBERS OF THE OCSD (BOARD).

D. PROVIDE THE NAMES , TITLES AND ANNUAL SALARIES OF OTHER EMPLOYEES OF THE OCSD.

E. PROVIDE THE CURRENT MONTHLY CHARGE FOR A RESIDENTIAL CUSTOMER OF ORCHARD GRASS.

5. WHO HAS THE RESPONSIBILITY TO SET THE SEWAGE RATES IN OLDHAM COUNTY, THE OCSD OR FISCAL COURT ? DOES THE OCSD JUST MAKE RECOMMENDATIONS OR HAVE AUTHORITY TO SET THE RATES THEMSELVES ?

6. WHAT ARE THE NAMES AND ESTIMATED ANNUAL COSTS OF EACH OF THE COMPANIES THAT WILL OR ARE PROVIDING THE IMPROVEMENTS TO OR MANAGEMENT OF THE SEWAGE TREATMENT FACILITIES IN OLDHAM COUNTY ?

7. WHAT WAS OR WILL BE THE IMPLEMENTATION DATE OF THE NEW UNIFORM RATES FOR SEWAGE TREATMENT IN OCSD FOR CURRENT RESIDENTIAL CUSTOMERS ?

A. PREVIOUS TO THE IMPLEMENTATION DATE OF THE NEW RATES, LIST THE NAME, FIXED MONTHLY COST OR FORMULA AND NUMBER OF RESIDENTIAL CUSTOMERS FOR EACH OF THE DIFFERENT RATES THAT WERE IN EFFECT IN OLDHAM COUNTY.

8. WHAT IS THE CURRENT TOTAL AMOUNT OF WATER USED BY RESIDENTIAL CUSTOMERS IN OLDHAM COUNTY FOR THE PREVIOUS YEAR ? WHAT IS THE CURRENT TOTAL AMOUNT OF SEWAGE PROCESSED FROM RESIDENTIAL CUSTOMERS IN OLDHAM COUNTY FOR THE PREVIOUS YEAR ?

A. IF THE AMOUNT OF SEWAGE TREATED IS LESS THAN THE AMOUNT OF WATER USED, WHAT TYPE OF ADJUSTMENTS DOES OCSD PLAN TO MAKE TO RESIDENTIAL CUSTOMER BILLS ? EXPLAIN IN DETAIL.

B. ACTIVITIES LIKE FILLING POOLS, WASHING CARS, WATERING LAWNS AND WATERING FOR DROUGHT CONDITIONS WOULD INCREASE WATER USAGE BUT NOT SEWAGE PROCESSING COSTS. WOULD OCSD AGREE AS A CONDITION OF PSC APPROVAL OF THE ACQUISITION OF THE PLANTS A 15 % REDUCTION IN THE GALLONS OF WATER USED PER MONTH IN CALCULATING THE SEWAGE CHARGE ? EXPLAIN YOUR RESPONSE IN DETAIL.

9. PROVIDE ANY MAPS THAT WOULD DETAIL THE PROBABILITY OF DROUGHT CONDITIONS IN THE OLDHAM COUNTY AREA.

10. WHAT ARE THE NUMBER OF ORCHARD GRASS RESIDENTIAL CUSTOMER THAT ARE IN OLDHAM COUNTY ? WHAT ARE THE NUMBER OF ORCHARD GRASS RESIDENTIAL CUSTOMER THAT ARE IN JEFFERSON COUNTY ?

A. PROVIDE A LIST OF THE NAME AND ADDRESS (INCLUDING ZIP CODE) OF THE RESIDENTIAL CUSTOMERS OF THE ORCHARD GRASS PLANT.

B. PROVIDE A LIST OF THE NAME AND ADDRESS (INCLUDING ZIP CODE) OF THE RESIDENTIAL CUSTOMERS OF THE WILLOW CREEK PLANT.

11. WHAT ARE THE NUMBER OF WILLOW CREEK RESIDENTIAL CUSTOMER THAT ARE IN OLDHAM COUNTY ? WHAT ARE THE NUMBER OF WILLOW CREEK RESIDENTIAL CUSTOMER THAT ARE IN JEFFERSON COUNTY ?

12. PROVIDE MAPS AND AERIAL PHOTOS THAT SHOW THE LOCATION OF WILLOW CREEK AND ORCHARD GRASS, INCLUDING THE PLANT LOCATIONS WITH THE COUNTY LINE DELINEATED.

A. IF THERE IS A DISPUTE AS TO THE ACTUAL LOCATION OF THE COUNTY LINE DESCRIBE THE VARIOUS LINES AND WHERE THE DE FACTO LINE IS. PROVIDE A MAP SHOWING THE LINE(S) THROUGH THE WILLOW CREEK AND ORCHARD GRASS AREA.

13. WOULD OCSD AGREE THAT OLDHAM COUNTY ORDINANCE NO. 96 - 830 - 26 (JA EXHIBIT D) DOES NOT AUTHORIZE THE TRANSFER OF JEFFERSON COUNTY RESIDENTIAL CUSTOMERS TO THE OCSD ? EXPLAIN YOUR RESPONSE IN DETAIL.

A. DOES JEFFERSON COUNTY FISCAL COURT HAVE AN ORDINANCE CONCERNING A SEWAGE DISTRICT ?

B. IN ACCORDANCE WITH KRS 220.035 (2) AND KRS 220.135 (1) HAS OLDHAM COUNTY AND JEFFERSON COUNTY ADOPTED CONFORMING ORDINANCES ON THE EXERCISE OF THE OCSD IN JEFFERSON COUNTY ? IF YES, PROVIDE COPIES OF THE JEFFERSON COUNTY ORDINANCE WITH

SIGNATURE(S) OF JEFFERSON COUNTY OFFICIALS.

14. HAS OCSD PUBLISHED PUBLIC NOTICE IN ANY NEWSPAPERS OF THE PROPOSED ACQUISITION OF THE WILLOW CREEK AND ORCHARD GRASS PLANTS ?

A. IF YES, PROVIDE THE NAMES AND DATES OF NEWSPAPER NOTICE, A COPY OF THE NOTICE AND COPIES OF THE BILL FROM THE NEWSPAPERS.

15. DOES OCSD PLAN TO IMPLEMENT ANY OTHER TAXES OR FEES TO RESIDENTIAL SEWAGE CUSTOMERS IN THE NEXT 5 YEARS ?

A. IF YES, PROVIDE THE DESCRIPTION OF THE TYPE OF TAXES OR FEES PER MONTH OR THE FORMULA AND THE ESTIMATED COSTS PER MONTH PER RESIDENTIAL CUSTOMER.

B. WOULD THE OCSD AGREE TO NOT IMPLEMENT ANY NEW TAXES OR FEES TO WILLOW CREEK OR ORCHARD GRASS RESIDENTIAL SEWAGE CUSTOMERS FOR A PERIOD OF THREE YEARS AS A CONDITION OF PSC APPROVAL ? EXPLAIN YOUR RESPONSE.

C. DOES OCSD CHARGE SALES TAX ON SEWAGE BILLS ? EXPLAIN THE ANSWER.

16. IN ACCORDANCE WITH KRS 220.135 (6) (d) :

A. DOES OCSD CONSIDER THE TRANSFER OF FUNCTION OF THE WILLOW CREEK AND OR ORCHARD GRASS SEWAGE TREATMENT FROM PACKAGE PLANTS TO CENTRAL TREATMENT FACILITIES TO BE ECONOMICALLY FEASIBLE ? EXPLAIN YOUR RESPONSE IN DETAIL.

B. WOULD THE STATUTE ALLOW OCSD TO CHARGE UNIFORM RATES TO CUSTOMERS THAT WERE SERVED BY THE SAME CENTRAL TREATMENT FACILITY ? FOR EXAMPLE IF OCSD HAD 3 CENTRAL TREATMENT FACILITIES WOULD THE STATUTE ALLOW 3 DIFFERENT RATES THAT WERE UNIFORM FOR ALL THE RESIDENTIAL CUSTOMERS FOR EACH FACILITY ? EXPLAIN ALL RESPONSES.

C. IF THE STATUTE REQUIRES UNIFORM RATES, IS IT POSSIBLE TO HAVE A DIFFERENT RATE FOR A RESIDENTIAL, COMMERCIAL AND INDUSTRIAL CUSTOMER ? EXPLAIN THE RESPONSE.

17. IN ACCORDANCE WITH KRS 220.135 (7) (b) WOULD OCSD AGREE THAT THE DISTRICT DOES NOT HAVE JURISDICTION FOR THE ESTABLISHMENT OF UNIFORM RATES OUTSIDE OF JEFFERSON COUNTY ? EXPLAIN YOUR RESPONSE IN DETAIL.

18. IS THE WILLOW CREEK PLANT LOCATED IN OLDHAM OR JEFFERSON COUNTY OR BOTH ? PROVIDE DOCUMENTATION TO PROVE THE COUNTY LOCATION. PROVIDE A COPY OF MOST RECENT PROPERTY TAX BILL.

19. IS THE ORCHARD GRASS PLANT LOCATED IN OLDHAM OR JEFFERSON COUNTY OR BOTH ? PROVIDE DOCUMENTATION TO PROVE THE COUNTY LOCATION. PROVIDE A COPY OF MOST RECENT PROPERTY TAX BILL.

20. PROVIDE COPIES OF ANY LETTERS OR E-MAILS RECEIVED FROM RESIDENTIAL CUSTOMERS CONCERNING THE CHANGE OF SEWAGE RATES SINCE 01 SEP 2003 TO THE PRESENT WHETHER THEY WERE IN FAVOR OF IT OR OPPOSED TO IT.

21. IN ACCORDANCE WITH KRS 278.218 (2) DESCRIBE IN DETAIL HOW THE PROPOSED TRANSFER OF THE PLANTS IS FOR A PROPER PURPOSE AND CONSISTENT WITH THE PUBLIC INTEREST.

22. REFERENCE JA PAGE 49, OVERVIEW, WHICH STATES :

' IT IS INTENDED THAT OCSD ... BENEFIT THE CUSTOMER, COMMUNITY AND ENVIRONMENT. '

A. CONSIDERING SEPARATELY THE CUSTOMER, THE COMMUNITY AND THE ENVIRONMENT DESCRIBE IN THE DETAIL THE BENEFIT TO EACH CATEGORY. EXPLAIN IN DETAIL.

23. THERE WAS A RECENT COURT CASE BETWEEN THE PSC AND THE OCSD AND OR OLDHAM COUNTY FISCAL COURT CONCERNING WHO HAD THE AUTHORITY TO SET AND CONTROL SEWAGE RATES ? PROVIDE THE CASE NUMBER AND A COPY OF THE DECISION OF THE KENTUCKY COURT OF APPEALS.

24. PROVIDE THE AVERAGE AMOUNT OF WATER USED IN A MONTH FOR AN ORCHARD GRASS RESIDENTIAL SEWAGE CUSTOMER. PROVIDE THE DATA DOWN TO THE 10 GALLON VALUE. EXAMPLE 4.23 THOUSAND GALLONS. PROVIDE WORKSHEET AND CALCULATIONS.

A. PROVIDE THE AVERAGE AMOUNT OF SEWAGE TREATED IN A MONTH FOR AN ORCHARD GRASS RESIDENTIAL SEWAGE CUSTOMER. PROVIDE THE DATA DOWN TO THE 10 GALLON VALUE. EXAMPLE 4.23 THOUSAND GALLONS. PROVIDE WORKSHEET AND CALCULATIONS.

25. PROVIDE THE AVERAGE AMOUNT OF WATER USED IN A MONTH FOR AN WILLOW CREEK RESIDENTIAL SEWAGE CUSTOMER. PROVIDE THE DATA DOWN TO THE 10 GALLON VALUE. EXAMPLE 4.23 THOUSAND GALLONS. PROVIDE WORKSHEET AND CALCULATIONS.

A. PROVIDE THE AVERAGE AMOUNT OF SEWAGE TREATED IN A MONTH FOR AN WILLOW CREEK RESIDENTIAL SEWAGE CUSTOMER. PROVIDE THE DATA DOWN TO THE 10 GALLON VALUE. EXAMPLE 4.23 THOUSAND GALLONS. PROVIDE WORKSHEET AND CALCULATIONS.

26. PROVIDE THE SEWAGE RATES CHARGED TO COMMERCIAL AND INDUSTRIAL CUSTOMERS IN THE OCSD. PROVIDE THE FIXED MONTHLY RATES OR FORMULA AND DESCRIBE TO WHOM IT APPLIES.

27. REFERENCE THE JOINT APPLICATION, PAGE 15, ARTICLE III, PURCHASE PRICE. HOW WAS THE VALUE OF \$ 675,000 DETERMINED. EXPLAIN IN DETAIL. PROVIDE DOCUMENTATION OF ANY VALUATION OR ESTIMATE OF EQUIPMENT AND LAND.

28. PROVIDE THE NAMES AND ANNUAL SALARIES OF THE MEMBERS OF OLDHAM COUNTY FISCAL COURT.

A. FOR THE PAST FIVE CALENDAR OR FISCAL YEARS PROVIDE THE DOLLAR AMOUNT OF THE ANNUAL BUDGET OF THE OLDHAM FISCAL COURT. PROVIDE THE SOURCE AND DOLLAR AMOUNT OF EACH OF THE MAJOR COMPONENTS OF THE FISCAL COURT BUDGET. CONSIDER THE SEWAGE CHARGES TO CUSTOMERS AS A REVENUE SOURCE.

29. REFERENCE RASH LETTER (MADISON ENCLOSURE 2) WHICH STATES :

` ANYONE WHO DOES NOT LIKE THEIR BILL HAS THE ABILITY TO LOWER IT THROUGH LESS USAGE. '

A. WHAT WOULD THE OCSD SUGGEST FOR CUSTOMERS TO LOWER THEIR WATER USAGE ? EXPLAIN IN DETAIL.

30. REFERENCE THE JOINT APPLICANTS LETTER DATED 18 FEB 2004 OPPOSING MY INTERVENTION IN THIS CASE :

A. ON PAGE 2 IT STATES :

` SINCE THE EARLY 1970'S, WHEN THE WILLOW CREEK SYSTEM WAS BUILT, THE REGULATION AND ADMINISTRATION OF THIS SYSTEM HAS BEEN PERFORMED BY ... OLDHAM COUNTY. '

1. DESCRIBE IN DETAIL THE ACTIVITIES OF OLDHAM COUNTY.

B. ON PAGE 3 IT STATES :

` THE OCSD, AT THE REQUEST AND URGING OF THE KENTUCKY DIVISION OF WATER HAS TAKEN STEPS TO PURCHASE THE SMALL WASTEWATER TREATMENT PLANTS IN OLDHAM COUNTY ... AND CONSOLIDATE THEM INTO A LARGER, MORE EFFICIENT WASTEWATER SYSTEM. '

1. PROVIDE DOCUMENTATION FROM KENTUCKY DIVISION OF WATER.

C. ON PAGE 3 IT STATES :

` OCSD'S OWNERSHIP AND OPERATION ... WILL RESULT IN AN IMPROVEMENT OF THE WASTEWATER GENERATED BY WILLOW CREEK RESIDENTS, AS WELL AS AN IMPROVEMENT IN THE WATER QUALITY OF STREAMS FLOWING THROUGH OLDHAM COUNTY. '

1. DESCRIBE IN DETAIL HOW THIS WILL BE ACCOMPLISHED.

2. SINCE THE CURRENT ORCHARD GRASS AND WILLOW CREEK PLANTS ARE MEETING ALL STATE REQUIREMENT WHY IS THIS TRANSFER NECESSARY ? DESCRIBE THE BENEFIT.

31. PROVIDE THE MONTHLY SEWAGE DOLLAR CHARGE TO AN ORCHARD GRASS RESIDENTIAL CUSTOMER WHO USES AN AVERAGE AMOUNT OF WATER UNDER THE CURRENT SEWAGE RATES APPROVED BY OLDHAM FISCAL COURT. PROVIDE THE PERCENTAGE CHANGE IN SAID CHARGE COMPARED TO THE CURRENT ORCHARD GRASS CHARGE. CALCULATE THE PERCENTAGE OUT TO THE 100 HUNDREDTH, FOR EXAMPLE 4.32 %.

32. PROVIDE THE MONTHLY SEWAGE DOLLAR CHARGE TO AN WILLOW CREEK RESIDENTIAL CUSTOMER WHO USES AN AVERAGE AMOUNT OF WATER UNDER THE CURRENT SEWAGE RATES APPROVED BY OLDHAM FISCAL COURT. PROVIDE THE PERCENTAGE CHANGE IN SAID CHARGE COMPARED TO THE CURRENT WILLOW CREEK CHARGE. CALCULATE THE PERCENTAGE OUT TO THE 100 HUNDREDTH, FOR EXAMPLE 4.32 %.

33. REFERENCE RASH LETTER (ENCLOSURE 2) WHICH DECLARES :

‘ IT HAS ALSO RECEIVED \$ 300,000 YEAR - TO - DATE IN TAP - ON FEES. ‘

A. DESCRIBE WHAT A TAP ON FEE IS. WHO DOES THE FEE APPLY TO, ALL OCSD CUSTOMERS, NEW HOMES, ETC. ?

B. WHAT IS THE CHARGE PER OCSD CUSTOMER FOR A TAP ON FEE ?

C. WILL EACH RESIDENTIAL CUSTOMER OF WILLOW CREEK AND ORCHARD GRASS BE PAYING THIS TAP ON FEE IF THE TRANSFER IS APPROVED BY THE PSC ? EXPLAIN THE ANSWER.

D. WOULD OCSD COMMIT AS A CONDITION OF PSC APPROVAL OF THE TRANSFER OF THE PLANTS, NOT TO CHARGE, IN ANY WAY, A TAP ON FEE TO RESIDENTIAL SEWAGE CUSTOMER OF ORCHARD GRASS AND WILLOW CROOK ? EXPLAIN YOU ANSWER.

E. REFERENCE MADISON ENCLOSURE 3, PAGE 2 OF 2. IF THE OCSD CONNECTION FEE IS NOT EQUIVALENT TO THE MSD FEE OF \$ 5,500, DOES THIS EXPLAIN WHY THE OCSD FEE FOR AN AVERAGE CUSTOMER IS MUCH HIGHER THAN MSD'S OF \$ 13.18 FIXED (BI - MONTHLY) PLUS \$ 1.81 FOR 1,000 GALLONS ? (MADISON ENCLOSURE 3 PAGE 1 OF 2) EXPLAIN THE ANSWER IN DETAIL.

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DATE : 25 FEB 2004

I CERTIFY THAT ON 25 FEB 2004, COPIES OF THIS LETTER AND ENCLOSURE WERE MAILED REGULAR MAIL TO ALL PARTIES OF RECORD.

SINCERELY,

A handwritten signature in cursive script that reads "Robert L. Madison".

ROBERT L. MADISON
5407 BAYWOOD DRIVE
LOUISVILLE KY 40241-1318
HOME PHONE: (502) 241-5079



MSD

Louisville and Jefferson County
 Metropolitan Sewer District

WASTEWATER SERVICE CHARGES

EFFECTIVE FOR ALL BILLS ISSUED ON AND AFTER AUGUST 1, 2003

A. WASTEWATER SERVICE CHARGES

Applicable to all bills rendered.

Fixed charges by water service meter sizes applicable to all wastewater service charge billings:

<u>Meter Size</u> Inches	<u>Monthly</u> <u>Billing</u> \$/Bill	<u>Bi-Monthly</u> <u>Billing</u> \$/Bill	<u>Meter Size</u> Inches	<u>Monthly</u> <u>Billing</u> \$/Bill	<u>Bi-Monthly</u> <u>Billing</u> \$/Bill
5/8 or 3/4	10.11	13.18	6	217.64	427.77
1	17.63	26.47	8	327.14	641.66
1-1/2	26.47	44.03	10	427.77	842.99
2	33.99	60.39	12	621.04	1,242.10
3	71.89	134.64	15 or 16	752.80	1,505.55
4	113.25	217.70	18 or 20	988.02	1,976.05

Plus \$49.91 for each reading of each meter owned by a customer for the purpose of determining billable consumption.

B. WASTEWATER VOLUME CHARGES

Regular volume rates described below are calculated by using on 85% of the actual metered water used by residential customers, providing an automatic year-long 15% discount for lawn watering and other uses of water which does not enter the sanitary sewer system. Automatic volume rate discounts of 10% for commercial customers and 5% for industrial customers are also provided. The "sewer only" volume rates exclude these automatic discounts and are used for customers who are charged for only the water entering the sanitary sewer system as determined by metering systems.

*May be modified from time to time by contractual agreement with individual customers.

1. **Regular volume rate** applicable to all water used and not meeting the requirements for the optional volume rate (see below):

Residential - \$1.81 per 1,000 gallons of volume billed
Commercial - \$2.09 per 1,000 gallons of volume billed
Industrial - \$2.17 per 1,000 gallons of volume billed

2. **Optional (clean) volume rate** available to customers whose average water use during any consecutive twelve-month period exceeds 1,000,000 gallons per month. Such customers may, until such volume is less than 1,000,000 gallons per month, have the option of being charged the following optional volume rate for water used plus quality charges for total properly certified and approved BOD and SS loadings.

\$1.15 per 1,000 gallons of volume billed; or

3. **Sewer only volume rates** applicable where billable volumes are based on either the wastewater discharged to the sewer system as determined by metering, or metered water use less exemptions approved by MSD for water not ultimately discharged to the sewer system as determined by separated metering.

Residential - \$2.08 regular rate
Commercial - \$2.33 regular rate or \$1.21 optional rate/1,000 gallons.
Industrial - \$2.34 regular rate or \$1.21 optional rate/1,000 gallons.

- i. built by, or on behalf of, an organization which is either exempt from Federal income tax under 26 U.S.C. & 501 (c)(3) of the Internal Revenue Code, or is a government entity; and
 - ii. sold to buyers who qualify according to the income guidelines established by MSD and
 - iii. a property for which a federal low income housing tax credit is not being taken by any entity or individual and
 - iv. a property which has a sales price which qualifies under price guidelines established by MSD.
4. A special MSD connection fee is due and payable for those properties to be served in the vicinity of an MSD Assessment Project (whether connecting to interceptor or a collector line) that will be equal to the most similar Guaranteed Maximum Assessment Project. The connection fee for the second or additional connections to a property, shall be the actual construction cost of the connection as determined by MSD.
5. Connection Fees may be paid by any method approved by MSD including the use of Installment plans in accordance with the procedures and at interest rates approved by The MSD Board. However, if MSD's installment plan is used, the property owner shall Grant MSD a mortgage on the real property to be served.
- (a) For all commercial customers, the Connection Fee shall be \$7,100.
 - (b) For all residential customers, the Connection Fee shall be \$5,500.